North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
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Michael F. Easley, Governor   Michael S Lancaster, M.D. and
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August 1, 2008

Memorandum

To: Community Support Service Providers

From: Jim Jarrard, Accountability Team Leader
             DMH/DD/SAS, Resource & Regulatory Management Section

Subject: 2007/2008 Medicaid Audit of Community Support Services

Between August 26 and October 23, 2008 the NC Division of MH/DD/SAS will conduct Medicaid audits of directly enrolled Community Support service providers. The enclosed list of providers to be audited includes only the week during which each provider's audit will occur, as well as the audit site. This list is also available on the website indicated below. **Each provider's individual audit appointment will be distributed at least one week prior to the appointment date.**

Please keep this letter throughout the audit process for reference purposes.
Note: All documents required for preparation for this audit event
are posted on the DMH/DD/SAS website:
http://www.ncdhhs.gov/mhddsas/audits/index.htm

Audit Process and Components:

- A listing of the directly enrolled Community Support providers to be audited and the audit site information is available on the website identified above. **For specific information on audit tools and instructions, please download the following information from our website:**
  - √ **Community Support Medicaid Audit Tool**. This tool will determine Medicaid compliance in 14 areas related to a specific date of service and to the staff who provided the service on each date.
  - √ Community Support Medicaid Auditor Instructions
  - √ Staff Qualifications Checklist
  - √ **Person-Centered (PC) Planning Review Tool.** This tool will determine whether PCPs reviewed are meeting the intent of the Person-Centered Planning philosophy and the requirements for facilitating a Person-Centered Plan, via four (4) detailed questions. This will be a review, not an audit, resulting in possible plans of correction only.
  - √ Person-Centered Planning Reviewer Instructions
  - √ **2007/2008 Community Support Provider Audit Schedule** by week and audit site
  - √ 2007/2008 Community Support Provider Audit List by agency name
  - √ Directions to each audit site.
- **The following information will be posted on the web and/or sent via UPS at least one (1) week prior to each scheduled audit week:**
  - √ Individual audit appointments (date and time)
  - √ List of service records to be audited (this list will *not* be posted on the web). The list will include names, birth dates and Medicaid numbers. If an individual's name is listed more than once, it means that more than one date of service was randomly chosen for audit from that person's record.
  - √ Any additional information (if necessary) needed for the PC Planning review.
- All events for the Community Support Medicaid audits will be drawn from paid claims dates of April 1, 2008 – July 31, 2008. **These paid claims dates may include services provided on any date between April 1, 2008 and July 31, 2008. Therefore, service records brought to the audit site must include required documentation from April 1, 2008 - July 31, 2008.**
- The Community Support audit samples will consist of up to fifteen (15) primary and five (5) backup randomly selected service dates per provider. A total of twenty (20) events will be identified for possible use in each audit.
- If a service event which is included in the audit sample was repaid to Medicaid prior to the provider's receipt of the list of records to be audited, that event will be omitted and the next numbered event from the alternate list will be substituted. Evidence of the repayment will need to be available during the audit.
- The PC Planning review sample will consist of two (2) PCPs per provider agency chosen at random by the audit team.
- On the date of the audit, service records must be located at the audit site indicated on the audit schedule. All individual agencies are responsible for maintaining or arranging the security of their records.
- It is required that each Medicaid provider have staff persons who are familiar with agency records available at the audit site.
- Once the audit is complete and auditors have left the site, **no additional documentation will be accepted.**

- Service documentation needed for the audit **must be indicative of what was current and in place for all possible dates of service from April 1, 2008 – July 31, 2008, inclusive.** Documentation required on-site includes:
  - √ **Service Authorizations** for all possible dates of service.
  - √ **Service Orders** for all possible dates of service, per the requirements of the Person Centered Planning Instruction Manual.
  - √ **Person Centered Plans** current for all possible dates of service. (Note: this could be a PCP that is prior to the current one, i.e., is not in effect now, but was at the time of the service date being reviewed.)
  - √ **Service Documentation** for all possible dates of service.
  - √ **Staff training / qualifications** in place for all possible dates of service, per the Qualifications Checklist posted on the web.
  - √ **Staff supervision plans and evidence of the supervision taking place** for paraprofessionals and associate professionals providing services between April 1 and July 31, 2008.
  - √ Evidence that the provider agency required **disclosure of any criminal conviction** by the staff person(s) who provided the service.
  - √ **Health Care Personnel Registry checks** current for all possible dates of service.
  - √ **Policy and Procedure Manual** including policies in effect for all possible dates of service.
  - √ **Legal documents related to guardianship and/or the legally responsible person** when applicable, i.e., in instances where the natural parent is not the guardian of a child, or when an adult has been adjudicated incompetent.

Please have all items available for review at the audit site.

Division of Medical Assistance (DMA) Information:
- Once the Medicaid audit is complete, no additional documentation will be accepted for review.
- This is a targeted audit on a limited sample of issues identified on the Medicaid audit tools. This audit does not represent all the items or issues that may be reviewed by DMA or other entities such as the NC Attorney General's office as allowed by applicable policies, State and Federal Regulations.
- DMA Program Integrity has the authority and responsibility to expand the scope of this audit as necessary to encompass all applicable recoupment or other sanctions.

Audit Completion:

- At the completion of the record review, the audit team will leave copies of the completed Medicaid tools which will include those events found out of compliance. This transaction acts as informal notification of events found out of compliance. Please note that there may be revisions to the on-site findings when the audit tools are reviewed later by an audit team leader.
- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).** Information on the DMA process and timelines for submitting such requests will be included in the DMA letters received in conjunction with the formal Summary of Findings report.

- **Out of compliance findings that represent a systemic issue may require that a Plan of Correction (POC) be submitted to the Division of MH/DD/SAS.** Information on the DMH/DD/SAS process and timelines for submitting POCs will be included in each agency's formal Summary of Findings report,

Contacting Us

- If you have not already provided information via a phone call from a member of the Compliance Unit / Accountability Team, regarding the contact person for future communication about the logistics of the audit process, please provide us with that information <u>by August 15, 2008</u>. by contacting <u>Belinda Beardsley</u> at:

    <u>Belinda.Beardsley@ncmail.net</u>, (919) 881-2446 or (919) 508-0968 (FAX).

- If you have questions concerning the information in this memorandum, or anything else related to the upcoming 2008 audit event, please contact one of the following people:

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We look forward to a successful audit.

cc: Catharine Goldsmith
    Clarence Ervin
    DMH/DD/SAS Executive Leadership Team (ELT)